

CABLE SECRETARIAT DISSEMINATION

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ACTION UNIT

ACTION NO.

FILE

[REDACTED] 06 [REDACTED] OCT 70 CITE SANTIAGO [REDACTED]6 Oct [REDACTED]

DIRECTOR

1. ON 6 OCTOBER, AMBASSADOR TOLD COS THAT HE WOULD PERSIST IN ASKING DEPT STATE TO SUMMON HIM FOR CONSULTATION. SINCE BALLGAME LOST, REASON GIVEN BY DEPSTATE FOR NOT WANTING HIM IN WASHINGTON AT THIS TIME NO LONGER VALID. NEEDS AUTHORIZATION TO OPEN TALKS WITH A L - L E N D E ' S ECONOMIC ADVISORS ON EXPROPRIATION OF AMERICAN PROPERTY. BRUSHED ASIDE COS' CONCERN THAT ANY

Approved for Release
July 2000

LEAKAGE THOSE TALKS MIGHT EXTINGUISH LAST REMAINING FLICKER OF WILL TO RESIST. AVERRED THAT TALKS WOULD REMAIN SECRET SINCE ANY LEAKAGE OBVIOUSLY CONTRARY TO ALLENDE'S INTERESTS. CLAIMED TO BE WORKING AGAINST 5 NOVEMBER DEADLINE WHEN NATIONALIZATION BILL WOULD BE INTRODUCED AND ANY CHANCES FOR MODIFICATION THRU BILATERAL TALKS WOULD GO BY BOARD. (AMB DID NOT DIVULGE BASE HIS CONTENTION THAT BILL WILL BE INTRODUCED 5 NOV). AMB ALSO VOICED CONCERN OVER SIZE OF AID INVESTMENT GUARANTEES, VARIOUSLY ESTIMATED AT BETWEEN 500

SECRET

174

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PAGE 2 SANTIAGO

MILLION AND ONE BILLION DOLLARS. BELIEVES

UNAWARE THAT THIS CONTINGENT LIABILITY

HANGING OVER HEAD OF ADMINISTRATION AND THAT CONGRESS

MAY SUDDENLY BE FACED WITH REQUEST TO COUGH UP THAT

MUCH MONEY. HOW WOULD THIS AFFECT PROSPECTS OF

PROPOSALS TO REFORM AID SYSTEM? LASTLY,

AMBASSADOR ANXIOUS TO BRIEF HIS CONTACTS IN MEDIA WORLD

AND TESTIFY BEFORE APPROPRIATE CONGRESSIONAL COMMITTEES.

2. ON 6 OCTOBER, REPORTED

THAT UNIDAD POPULAR PLAN FOR NATIONALIZATION OF MINING

INDUSTRIES (COPPER, IRON AND NITRATE) CALLS FOR COMPLETE

GOVERNMENT CONTROL WITHIN FIVE TO SIX YEARS, TO BE AC-

COMPLISHED THROUGH CAREFUL NEGOTIATIONS DESIGNED TO

AVOID ECONOMIC CHAOS AND TO INSTILL CONFIDENCE IN

BUSINESS WORLD. SHALL DISSEM.

3.

SECRET